

Good Afternoon,

Thank you Chairman Hune and members of the committee for letting me speak to you today about the sales and use tax as it affects my industry.

My name is Kevin Sportel of Sportel Greenhouses. I am on the Michigan Greenhouse Growers Council board. Our greenhouses are located in Kalamazoo selling wholesale bedding plants to big box stores in Michigan, Indiana, Ohio, Kentucky, Illinois and Wisconsin. My Brother and I are fourth generation and our farm is 100 years old this year.

I am very concerned about the negative impacts of the state charging an agriculture sales tax. We have never had to pay these taxes historically and the impact of this new tax could be catastrophic. The margins in this industry have become tighter every year and it would be difficult to absorb these new costs. Our cost of labor has gone up 5% and trucking has gone up 20% in just the last year. In order to mitigate these costs we must invest money back into our business and this new sales tax makes it much harder to do so. As the next generation these taxes make the already difficult task of taking over a family business that much harder.

I ask you to support this bill so that my business can remain strong now and into the future.

Thank you Chairman and committee for your time.

Kevin Sportel